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RR RUEHCN RUEHVC  
DE RUEHGH #0402 2631019  
ZNR UUUUU ZZH  
R 191019Z SEP 08  
FM AMCONSUL SHANGHAI  
TO RUEHC/SECSTATE WASHDC 7167  
INFO RUEHOO/CHINA POSTS COLLECTIVE  
RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RUCPDO/DEPT OF COMMERCE WASHINGTON DC  
RUEHGH/AMCONSUL SHANGHAI 7753

UNCLAS SHANGHAI 000402

SENSITIVE  
SIPDIS

FRANCISCO FRB FOR CURRAN/GLICK; NEW YORK FRB FOR  
CLARK/CRYSTAL/DAWSON  
STATE PASS CFTC FOR OIA/GORLICK  
CEA FOR BLOCK  
USDOC FOR ITA/MAC DAS KASOFF, MELCHER AND OCEA/MCQUEEN  
TREASURY FOR AMB.HOLMER, WRIGHT AND TSMITH  
TREASURY FOR OASIA - DOHNER/HAARSAGER/CUSHMAN  
TREASURY FOR IMFP - SOBEL/MOGHTADER  
NSC FOR LOI  
USTR FOR STRATFORD, WINTER

E.O. 12958: N/A

TAGS: [EFIN](#) [ECON](#) [EINV](#) [PGOV](#) [PREL](#) [CH](#)

SUBJECT: SHANGHAI AUTHORITIES ALSO DEMAND ASSURANCES FROM AIG

REF: SHANGHAI 399

(SBU) According to a Shanghai-based American International Group (AIG) General Insurance Company China high level official, the Shanghai Municipal Financial Service Office requested a detailed status report on Thursday, September 18. The summons was lodged a day earlier and came on the heels of the request for accounting from the China Insurance Regulatory Commission (CIRC) in Beijing on Tuesday September 16 (reftel). The official said that Shanghai authorities were very concerned about the viability of AIG China's operations. They were particularly pointed in their questioning of AIG's coinsurance agreements and any guarantees of support made between AIG China and other AIG affiliates or subsidiaries outside China. Shanghai officials initially demanded an immediate cessation of any such cross-border arrangements and threatened to stop their operations in Shanghai if they felt there was not enough insulation between AIG China and AIG entities outside China. According to the AIG official, Shanghai authorities in the end were sufficiently satisfied with AIG China's September 18 explanation of the company's current operations and arrangements in China.

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